

Erste Bank sells insurance broker VMG to GrECo

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Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich) continues to focus on its core business and is selling investments that are not directly connected to the banking business. In line with its strategy, Erste Bank will sell VMG Erste Bank Versicherungsmakler GmbH (VMG) in which it owns 100%. 95% of its shares will go to Versicherungsmakler GrECo International AG. Erste Bank Oesterreich will keep the remaining 5%. The transaction was signed on 15 April 2010. To provide bank customers with the services of an insurance broker in the future as well, Erste Group and GrECo Holding have entered into a cooperation agreement to work together with the subsidiaries of Erste Group until 2023. This applies not only to the Austrian savings bank group, but also the Czech Republic, Slovakia, Hungary, Romania, Ukraine, Croatia and Serbia. It was agreed not to disclose the purchase price.

"After the sale of s Versicherung to the Vienna Insurance Group two years ago, the next logical step is to split off VMG for strategic reasons. However, we will continue to offer this service to our customers through the cooperation with our partner, GrECo," said Mr. Thomas Uher, management board member responsible for corporate accounts at Erste Bank Oesterreich. Therefore, nothing will change for existing corporate customers and VMG employees except for the ownership structure. Both will profit from the international know-how of the GrECo group in the future.

"The sale of VMG and the cooperation agreement to work together with Erste Group is an ideal supplement to bolster our leading position in Austria and the region of CEE/SEE/CIS," Friedrich Neubrand, CEO of GrECo Holding was very happy to announce. The GrECo group has its roots in Austria and has been doing business for over 80 years in the area of risk and insurance management. In 1989, it started to expand into the East and now serves 15 countries. The group's strategy includes plans to develop and further expand into new countries of the region in the coming years.

VMG was founded in 1978 and has served as an independent insurance broker for the Austrian savings bank group ever since. With over 60 employees, VMG currently has over 10,000 active customers.

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